

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Pension Trust	(2) MEETING DATE 12/15/2015	(3) CONTACT/PHONE Carl Nelson, Executive Secretary 805/781-2313	
(4) SUBJECT Submittal of a resolution approving 1) increases in employee-paid pension contribution rates and employer appropriation rates for San Luis Obispo County Employees Retirement Plan's contracting agency employers per applicable instructions of authorized individuals representing said agencies, and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices for employees in the San Luis Obispo County Courts, the San Luis Obispo County Air Pollution Control District and the San Luis Obispo County Local Agency Formation Commission. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt a resolution approving 1) increases in employee-paid pension contribution rates and employer appropriation rates for the San Luis Obispo County Employees Retirement Plan's contracting agency employers per applicable instructions of authorized individuals representing said agencies, and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices for employees in the San Luis Obispo County Courts, the San Luis Obispo County Air Pollution Control District and the San Luis Obispo County Local Agency Formation Commission.			
(6) FUNDING SOURCE(S) Contracting Agencies	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Carl Nelson, Executive Secretary, Pension Trust

DATE: 12/15/2015

SUBJECT: Submittal of a resolution approving 1) increases in employee-paid pension contribution rates and employer appropriation rates for San Luis Obispo County Employees Retirement Plan's contracting agency employers per applicable instructions of authorized individuals representing said agencies, and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices for employees in the San Luis Obispo County Courts, the San Luis Obispo County Air Pollution Control District and the San Luis Obispo County Local Agency Formation Commission. All Districts.

RECOMMENDATION

It is recommended that the Board adopt a resolution approving 1) increases in employee-paid pension contribution rates and employer appropriation rates for the San Luis Obispo County Employees Retirement Plan's contracting agency employers per applicable instructions of authorized individuals representing said agencies, and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices for employees in the San Luis Obispo County Courts, the San Luis Obispo County Air Pollution Control District and the San Luis Obispo County Local Agency Formation Commission.

DISCUSSION

Each year, an actuarial valuation is conducted by the San Luis Obispo County Pension Trust ("Trust"). The Trust's 2014 actuarial valuation study (report dated January 1, 2015) calls for a 1.02% aggregate pension rate increase, with an implementation date effective the pay period that includes January 1, 2016. Based on this implementation date, the total actuarial breakdown of rate increases for "Miscellaneous" members is 0.98%. Note that the agency employers covered by this resolution have no "Public Safety" or "Probation" members.

Below is a table breakdown of the pension rate increases for the San Luis Obispo County Employees Retirement Plan's contracting agencies:

Contracting Agency Employer	BU	Employees	Pension Rate Increase	Employee Share	Employer Share
SLO County Superior Court	BU17 – Court Interpreters Unit BU25 – Court Commissioners Unit	12	0.98%	0..33%	0.65%
SLO County Superior Court	BU18 – Court Technical Unit BU19 – Court Supervisory Unit BU20 – Court Miscellaneous Unit BU24 – Court Management & Attorneys Unit BU26 – Court Confidential Unit BU27 – Court Professional Unit	120	0.98%	0.49%	0.49%

APCD	BU98 – APCD Miscellaneous Members BU99 – APCD Management	23	0.98%	0%	0.98%
LAFCO	BU07 – LAFCO Staff	3	0.98%	0.49%	0.49%
Total Employees		158			

Pension Plan Benefit Tiers

Based on date of hire age of entry and/or pension plan reciprocity, Plan members are placed into Tier 1, Tier 2, or Tier 3 of the pension plan. The tier represents the benefit employees will receive upon retirement. A full description of the plan benefits is available on the Pension Trust's website, www.slocounty.ca.gov/PensionTrust. The Plan's contract agencies did not adopt the Tier 2 benefit structures so employees of these agencies are placed in either Tier 1 or Tier 3.

Employees in each tier are then further classified as either "Miscellaneous" members, "Safety" members, or "Probation" members. All contract agency employees are considered "Miscellaneous" members. The contribution rates that employees pay vary depending on age of entry, bargaining unit, tier, and classification as a "Miscellaneous", "Safety", or "Probation" member. The contribution rates that the Employers pay also varies by bargaining unit, tier, and "Miscellaneous", "Safety", or "Probation". Currently the Employer contribution is based on an actuarial recommended blended rate to control and reduce unfunded liability.

OTHER AGENCY INVOLVEMENT/IMPACT

Representatives from the San Luis Obispo County Courts, the San Luis Obispo County Air Pollution Control District and the San Luis Obispo County Local Agency Formation Commission participated in the development of the Employees Retirement Plan Appendices. County Counsel has reviewed and approved the resolution for legal form and effect. Each contracting agency will be individually responsible for implementing the pension rate changes.

FINANCIAL CONSIDERATIONS

This amendment will have no direct financial impact on the County.

RESULTS

Approval of this resolution will help mitigate the effects of ongoing pension cost increases and make the pension costs paid by the San Luis Obispo County Employees Retirement Plan's contracting agency employers consistent with those paid by the County.

ATTACHMENTS

1. Pension rate increase resolution
2. Appendix A T1 Contracting Agencies
3. Appendix A T3 Contracting Agencies